

CHATTEL MORTGAGE ON RAILROAD CARS

KNOW ALL MEN BY THESE PRESENTS, That:

WHEREAS, the undersigned, Illinois Central Railroad Company, a railroad corporation duly organized and existing under the laws of the State of Illinois, having its principal office and place of business at 135 East Eleventh Place, Chicago, Illinois (herein called "Mortgagor") has or will borrow from THE FIRST NATIONAL BANK OF CHICAGO, a national banking association, having its principal office and place of business at One First National Plaza, Chicago, Illinois (herein called "Mortgagee") the principal sum of Eight Million Dollars (\$8,000,000) represented by a note dated of even date herewith (herein called the "Note"), said principal sum payable as follows: Nineteen (19) installments of Four Hundred Thousand and no/100 Dollars (\$400,000) each, payable semi-annually, upon the first day of January and July in each year hereafter beginning July 1, 1972, and a final installment of Four Hundred Thousand and no/100 Dollars (\$400,000) on January 1, 1982, at the office of the payee in lawful money of the United States, together with interest on the unpaid balance of each principal installment from the date of the Note until the maturity of such installment at a rate per annum equal to one-half of one per cent (1/2 of 1%) above the prime rate of The First National Bank of Chicago, effective from time to time during the term of the Note, payable semi-annually, on the first day of January and July in each year, beginning July 1, 1972, and at maturity; and

WHEREAS, as security for the payment of the Note (including any and all extensions, modifications or renewals thereof), the Mortgagee has required and the Mortgagor has agreed that certain railroad cars owned by the Mortgagor be mortgaged as hereinafter provided to the Mortgagee.

NOW, THEREFORE, in consideration of the premises and to secure the prompt and punctual payment of the Note, and of each and every installment of principal and interest of the Note, and of any extensions, modifications or renewals from time to time thereof, Mortgagor does hereby mortgage, assign, transfer, set over and convey unto the Mortgagee, its successors and assigns, all and singular the railroad cars more fully described in Schedule A attached hereto and by reference incorporated herein, together with all fittings, appliances, additions, accessions and attachments now or hereafter connected therewith, and any replacements of any parts thereof or additions thereto (herein sometimes referred to as "railroad cars", "cars" or "property").

TO HAVE AND TO HOLD said property hereby granted, transferred, assigned and mortgaged unto the Mortgagee, its successors and assigns, forever, free and clear of all prior liens of whatsoever kind or character, and the Mortgagor does hereby covenant and agree with the Mortgagee, its successors and assigns, as follows:

FIRST: That it is the owner and in possession of each and all of the said cars, and that there are no prior liens of any kind or character against any of said property, and that it has good right and lawful authority to transfer, convey, assign and mortgage the same; that an office of the Mortgagor is located at Chicago, Illinois, and that the City of Chicago, State of Illinois, is hereby declared to be the operational base of each of the said cars, and that at the time of the execution hereof all of such

5522

RECORDATION NO. _____ Filed & Recorded

FEB 15 1972 - 10 25 AM

INTERSTATE COMMERCE COMMISSION

property is under the control of the Chicago office of Mortgagor, and is being operated out of Chicago, Illinois, as the operational base of such cars.

SECOND: That it will not voluntarily create or suffer to be created or to arise any lien or charge upon any of the property described herein and mortgaged hereby having priority to or preference over the lien of these presents upon said mortgaged property, or any part thereof; that it will pay all lawful claims and demands of all persons whomsoever which, if unpaid, might by law be given preference as to this mortgage as a lien or charge upon said mortgaged property, or any part thereof.

THIRD: That it will at all times during the time this mortgage is in force and effect keep all of the said cars in good condition and repair.

FOURTH: That it will forthwith cause to be painted upon the sides of each of the said cars, in letters not less than one inch in height, the words

"OWNED BY A BANK OR TRUST COMPANY UNDER A SECURITY AGREEMENT FILED UNDER THE INTERSTATE COMMERCE ACT, SECTION 20(c)",

so located as to be readily visible and to indicate plainly that the said cars are mortgaged to Mortgagee, and will, at its own cost, cause said markings to be maintained so long as this mortgage remains in force and effect; and Mortgagor further covenants that the markings upon the said cars shall not be changed without the previous written consent of the Mortgagee, and shall be maintained by Mortgagor at its own cost, so that the same shall be plainly visible so long as this Mortgage remains in force and effect.

FIFTH: That it will pay and discharge all taxes, assessments and governmental charges lawfully imposed upon any part of said mortgaged property, as well as any demurrage or freight charges against the same, so that the priority of this mortgage shall be fully preserved in respect to said property.

SIXTH: In the event that any of the cars shall be worn out, lost, destroyed, irreparably damaged or otherwise rendered permanently unfit for use from any cause whatsoever (such occurrences being hereinafter called "Casualty Occurrences") prior to the payment in full of the Note, together with interest thereon and all other payments required thereby, the Mortgagor shall, within thirty (30) days after it shall have been determined that such railroad car suffered a Casualty Occurrence, fully inform the Mortgagee in regard thereto and, subject to the provisions of the next succeeding sentence, within thirty (30) days after such determination, shall pay to the Mortgagee a sum equal to the then value of such railroad car (determined as hereinafter provided). Notwithstanding the foregoing provisions of this paragraph, so long as no event of default hereunder or under the Note shall have occurred and be continuing, the Mortgagor shall not be required to make any payment in respect of any railroad car suffering a Casualty Occurrence until the date on which Casualty Occurrences shall have occurred to railroad cars having an aggregate book value (or, in the case of replacement units, cost to the Mortgagor) of 10% or more, but in any case not more than \$8,000,000, of the aggregate book value (or, in the case of replacement units, of the cost to the Mortgagor) of all units of the railroad cars delivered hereunder. For all purposes of this paragraph the value of each railroad car suffering a Casualty

Occurrence shall be the book value of such railroad car (or, if a replacement unit, the cost thereof to the Mortgagor) less depreciation of 5% for each six month period for such car since the date of delivery and acceptance of such car to the date of the Casualty Occurrence in respect thereof.

SEVENTH: That it will exercise all reasonable care in the protection and possession of said property so long as said indebtedness remains unpaid, and that the property so mortgaged and pledged by this instrument shall not, during such time be sold, encumbered by a prior lien, or otherwise disposed of.

EIGHTH: That if default be made in the payment, when due, of any installment of principal or of interest of the Note (including any and all extensions, modifications or renewals thereof), or if Mortgagor should fail to observe or perform any of the covenants or agreements herein or in the Note contained, or if any proceeding be commenced by or against Mortgagor for the adjudication of Mortgagor as a bankrupt, or for a reorganization, or for any other relief of Mortgagor as a debtor under any law, state or federal, or if a receiver be appointed for Mortgagor, or for a substantial portion of its property, or if any of the mortgaged property be levied upon or attached and the same is not within five (5) days thereafter released therefrom (all of which shall be deemed "events of default"), then in any such event all sums provided by the Note, or to be paid, may, at the option of the holder thereof, and without notice to Mortgagor, become due and payable, and the Mortgagee shall thereupon be entitled to any or all of the following remedies, which shall not be exclusive, but shall be cumulative of any other rights or remedies at law or in equity which the Mortgagee may have, to-wit:

- (a) To demand and within sixty (60) days thereafter to receive from Mortgagor peaceable possession of all of the said railroad cars at some place designated by the Mortgagee upon the tracks in Chicago, Illinois, Mortgagor agreeing that it will, at its own expense, within said sixty (60) days, deliver possession of the said cars to the Mortgagee at the place so designated, and in case of the failure of Mortgagor so to do, possession of the said cars may be taken by the Mortgagee wherever the same may be found, and at the election of Mortgagee may be removed by Mortgagee to a location or locations acceptable to Mortgagee, all at the expense of Mortgagor, and for the purpose of having the said cars removed, Mortgagor agrees that it will, upon demand, deliver to the Mortgagee, or its assigns, possession of all records it may have, showing or tending to show the location of the said cars, and Mortgagee, by any of its officers, in the name of Mortgagor, may give any orders, directions, or instructions to any railroad company or other person, and may sign Mortgagor's name to any transfer, documents and agreements for the purpose of removing the said cars, and may pay the expense of such removal and recover same from the proceeds of the sale of any of the mortgaged cars.
- (b) The Mortgagee, its agents, attorneys or representatives, shall have the right and power, with or without exercising any of the rights given in the preceding subsection, to sell at public auction, to the highest bidder, for cash, at one or more sales, all or any part of the mortgaged property, upon giving notice of the time and place thereof, by posting same at five (5) public places in the County in which such sale is to be held, at least ten (10) days prior thereto, one of which places shall be the place

where such sale is to be held, or by giving notice at least ten (10) days before such sale, by publication thereof in a newspaper published at least weekly in such County, and of general circulation therein, and by giving such other notice as may be required by law at the place where such sale shall be held. Any such sale may be held at the courthouse door, or at any place where sales at public auction are customarily held in any county in any state in which any of the property to be sold may at the time be located; or at the courthouse door in the County of Cook, State of Illinois. Notice to Mortgagor of any such sale shall be deemed to have been duly given if, not less than ten (10) days before the date of such sale, a copy of such notice shall be delivered to it or mailed by ordinary mail addressed to Mortgagor at Chicago, Illinois. It shall not be necessary that the Mortgagee or the person conducting said sale, be in actual or constructive possession of said property at the time of such sale, or that the same be physically present at such sale, nor shall it be necessary, if said sale be held in Cook County, Illinois, that said property be actually present in the county of the state in which said sale is held; and the title and right of possession to such property shall pass to the purchaser at such sale as completely as if said property had been actually present and delivered at such sale, and Mortgagor covenants and agrees to deliver all of such property to the purchaser within a reasonable time thereafter, and for that purpose to execute and deliver all proper instructions, orders, or documents to any railroad company, or other person, and such other and further assurances as may be proper or required; and such purchaser shall be entitled to exercise all the rights and privileges herein given to the Mortgagee in the preceding subsection (a) hereof for the recovery of possession of any of the said railroad cars. At any such sale, the Mortgagee, if the highest bidder therefore, may become the purchaser of any such property. The proceeds of any such sale shall be applied:

First: To the payment of all costs and expenses of such sale, including any expenses which may have been advanced or incurred by the Mortgagee in recovering possession or custody of, or in causing the return of said property to the place of sale, if any, together with an attorney's fee of ten per cent (10%) of the amount realized at such sale, as a fee for the foreclosure hereof.

Second: To the payment of the indebtedness secured by this mortgage, with interest and attorneys' fees.

Third: Any excess shall be paid to Mortgagor or its assigns.

(c) The Mortgagee may proceed by action or actions in any court or courts of competent jurisdiction to foreclose this mortgage.

The provisions of this mortgage shall be binding upon the successors and assigns of Mortgagor, and shall inure to the benefit of the successors and assigns of the Mortgagee.

IN WITNESS WHEREOF, the Mortgagor, Illinois Central Railroad

Company, and the Mortgagee, The First National Bank of Chicago, have respectively caused this instrument to be signed and attested by their respective duly authorized officers and their respective corporate seals to be hereunto affixed as of this 13th day of FEBRUARY, 1972.

ILLINOIS CENTRAL RAILROAD COMPANY

By *Robert Mitten*
Title VICE PRESIDENT AND GENERAL COUNSEL

(CORPORATE SEAL)

ATTEST:

J. B. Goodrich
Secretary

THE FIRST NATIONAL BANK OF CHICAGO

By *Robert H. Blanchard*
Title Vice President

(CORPORATE SEAL)

ATTEST:

A. C. Camp
Loan Officer

STATE OF ILLINOIS }
COUNTY OF C O O K } SS

I, *Gloria S. Keenan*, a notary public in and for said County and State, do hereby certify that **ROBERT MITTEN** personally known to me to be the VICE PRESIDENT AND GENERAL COUNSEL of Illinois Central Railroad Company, a railroad corporation duly organized and existing under the laws of the State of Illinois, and **JOHN B. GOODRICH** personally known to me to be the Secretary of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such VICE PRESIDENT AND GENERAL COUNSEL and Secretary they signed and delivered the said instrument as VICE PRESIDENT AND GENERAL COUNSEL and Secretary of said corporation, and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal this 15th day of FEBRUARY, 1972.

Gloria S. Keenan
Notary Public

My Commission Expires:

August 16, 1972

STATE OF ILLINOIS }
COUNTY OF C O O K } SS

Before me, the undersigned, a notary public in and for said County and State, on this 15th day of FEBRUARY, 1972, personally appeared ROBERT MITTEN and JOHN B. GOODRICH, to me known to be the identical persons who subscribed the name of Illinois Central Railroad Company, the maker thereof, to the foregoing instrument as its VICE PRESIDENT AND GENERAL COUNSEL and Secretary, respectively, and acknowledged to me that they executed the same as their free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

Gleason S. Keenan
Notary Public

My Commission Expires:

August 16, 1972

STATE OF ILLINOIS }
COUNTY OF C O O K } SS

I, Sherman J. Goldberg, a notary public in and for said County and State, do hereby certify that Robert A. Blanchard personally known to me to be the Vice President of The First National Bank of Chicago, a national banking association duly organized and existing under the laws of the United States of America, and Frank C. Cannon personally known to me to be a Loan Officer of said Bank, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President and Loan Officer they signed and accepted deliverance of the said instrument as Vice President and Loan Officer of said Bank, and caused the corporate seal of said Bank to be affixed thereto, as the free and voluntary act and deed of said Bank, for the uses and purposes therein set forth.

Given under my hand and official seal this 15th day of FEBRUARY, 1972.

Sherman J. Goldberg
Notary Public

My Commission Expires:

My Commission Expires 8-1-1973

SCHEDULE A

SUMMARY OF EQUIPMENT

Original
Total Cost

34 Hi Cube Box Cars

I.C.	15450	15462	15473
	15451	15463	15474
	15452	15464	15475
	15453	15465	15476
	15454	15466	15477
	15455	15467	15478
	15456	15468	15479
	15457	15469	44282
	15458	15470	44283
	15459	15471	44284
	15460	15472	44285
	15461		

\$ 642,798

1 100-Ton Bulk Head Flat Car

I.C. 61699

\$ 17,013

50 100-Ton Covered Gondolas

I.C.	97300	97313	97326	97338
	97301	97314	97327	97339
	97302	97315	97328	97340
	97303	97316	97329	97341
	97304	97317	97330	97342
	97305	97318	97331	97343
	97306	97319	97332	97344
	97307	97320	97333	97345
	97308	97321	97334	97346
	97309	97322	97335	97347
	97310	97323	97336	97348
	97311	97324	97337	97349
	97312	97325		

\$ 896,857

1479 50-Ton Box Cars

I.C.	200048 - 200057	Inclusive
	200059 - 200060	"
	200062 - 200083	"
	200085 - 200157	"
	200159 - 200173	"
	200175 - 200236	"
	200238 - 200244	"

Original
Total Cost

1479 50-Ton Box Cars (Continued)

I. C.		Inclusive
	200246 - 200285	
	200287 - 200347	"
	200349 - 200356	"
	200358 - 200373	"
	200375 - 200380	"
	200382 - 200396	"
	200398 - 200497	"
	200499 - 200503	"
	200505 - 200514	"
	200516 - 200554	"
	200556 - 200584	"
	200586 - 200599	"
	205022 - 205032	"
	205034 - 205050	"
	205052 - 205061	"
	205064 - 205067	"
	205069 - 205075	"
	205077 - 205094	"
	205096 - 205108	"
	205110 - 205123	"
	205125 - 205142	"
	205144 - 205148	"
	205150 - 205154	"
	205156 - 205199	"
	210032	
	210034 - 210035	"
	210037	
	210039 - 210040	"
	210042 - 210052	"
	210054 - 210056	"
	210058 - 210059	"
	210061	
	210063 - 210085	"
	210087 - 210096	"
	210098 - 210099	"
	210101	
	210103	
	210105 - 210120	"
	210122 - 210130	"
	210132 - 210143	"
	210145 - 210152	"
	210154 - 210158	"
	210160 - 210165	"
	210167 - 210171	"
	210173 - 210175	"
	210177 - 210182	"
	210184 - 210189	"
	210191 - 210194	"
	210196	
	210198 - 210199	"
	210508 - 210513	"

Original
Total Cost

1479 50-Ton Box Cars (Continued)

I..C.	210515 - 210519	Inclusive
	210521 - 210535	"
	210539 - 210541	"
	210543	
	210546 - 210549	"
	210551 - 210554	"
	210556 - 210571	"
	210573	
	210577 - 210582	"
	210585 - 210595	"
	210598	
	211015	
	211017 - 211022	Inclusive
	211024 - 211032	"
	211034	
	211036 - 211041	"
	211043 - 211050	"
	211052 - 211057	"
	211060 - 211066	"
	211069 - 211073	"
	211075 - 211078	"
	211080 - 211082	"
	211085 - 211094	"
	211096	
	211098 - 211099	"
	211513 - 211514	"
	211516 - 211524	"
	211526 - 211527	"
	211529 - 211534	"
	211536 - 211541	"
	211543 - 211546	"
	211548 - 211549	"
	211552 - 211558	"
	211560 - 211561	"
	211563 - 211566	"
	211568 - 211570	"
	211572	
	211574	
	211577 - 211582	"
	211584 - 211599	"
	212012 - 212020	"
	212022	
	212025 - 212030	"
	212032 - 212051	"
	212053 - 212060	"
	212063 - 212073	"
	212076 - 212079	"
	212081 - 212087	"
	212089 - 212090	"
	212092 - 212099	"
	225500 - 225517	"
	225519 - 225520	"
	225522 - 225563	"

1479 50-Ton Box Cars

Original
Total Cost

I.C.			Inclusive
	225581 - 225600		
	225602 - 225640	"	
	225642 - 225652	"	
	225840 - 225847	"	
	232000 - 232026	"	
	232029		
	232031 - 232039	"	
	232500 - 232501	"	
	232503 - 232507	"	
	296000 - 296032	"	
	296034 - 296071	"	
	431082		
	432001		
	432003 - 432006	"	
	432008		
	435500 - 435501	"	
	435533 - 435534	"	
	435536 - 435538	"	
	435543		
	435549		
	435555		
	435560 - 435561	"	
	435563 - 435566	"	
	435568 - 435569	"	
	435580 - 435581	"	
	436025		
	436027		
	436029 - 436030	"	
	436032		
	436034		
	436038		
	436042 - 436044	"	
	436046 - 436049	"	
	436051		
	436503		
	436506 - 436510	"	
	436513		
	436515		
	436517 - 436518	"	
	437002		
	437004 - 437010	"	
	437012		
	439001		
	439003		
	439005		
	439008 - 439012	Inclusive	
	439014 - 439015	"	
	439017		
	458357		
	458381		
	458504		

TOTAL 1564

\$ 10,951,711
\$ 12,508,379